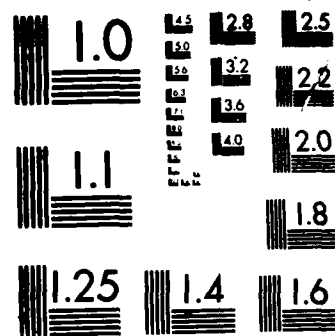


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# STUDENT ESSAY

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THE ROLE OF SECURITY ASSISTANCE IN US NATIONAL SECURITY STRATEGY

BY

LIEUTENANT COLONEL RONALD T. COVAIS

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identifying and furthering U.S. interests. Furthermore, I argue that helping friends and allies acquire the means to defend themselves is a productive, low cost and low risk investment in our own security. Security assistance supports deterrence, promotes regional stability, helps to ensure access to vital overseas military facilities, lessens our own military requirements, and limits the potential of our involvement in dangerous conflicts. This paper is an analysis of the U.S. Security Assistance Program, the major worldwide arms suppliers, and the returns that we get for our Security Assistance efforts. I review our relationship with the Kingdom of Saudi Arabia as an example of how we pursue U.S. interests in one region of the world and I conclude the essay with several overall trends and conclusions on the role of Security Assistance in U.S. Strategy.

USAWC MILITARY STUDIES PROGRAM PAPER

THE ROLE OF SECURITY ASSISTANCE IN US NATIONAL SECURITY STRATEGY

An Individual Essay

by

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US Army War College  
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# ABSTRACT

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In this essay I outline The Role of Security Assistance in U.S. National Security Strategy. In illustrating how national interests and national objectives form the basis of national strategy, I intend to convey a vision of the important relationship between foreign and defense policies in forming an integrated strategic approach to securing U.S. interests in international relations. I use the medium of Security Assistance because this is a good example of linkage between foreign and defense policies in identifying and furthering U.S. interests. Furthermore, I argue that helping friends and allies acquire the means to defend themselves is a productive, low cost and low risk investment in our own security. Security Assistance supports deterrence, promotes regional stability, helps to ensure access to vital overseas military facilities, lessens our own military requirements, and limits the potential of our involvement in dangerous conflicts. This paper is an analysis of the U.S. Security Assistance program, the major worldwide arms suppliers, and the returns that we get for our Security Assistance efforts. I review our relationship with the Kingdom of Saudi Arabia as an example of how we pursue U.S. interests in one region of the world and I conclude the essay with several overall trends and conclusions on the role of Security Assistance in U.S. Strategy.



## INTRODUCTION

### IN THE NATIONAL INTEREST

"In the conduct of foreign relations, the United States, like every other state, is concerned primarily with the achievement of those objectives of national interest which it conceives to be of paramount significance. If the management of our external affairs is to enjoy rationality, it must have goals that harmonize with, and supplement, the internal policies and programs of the Government, whether they may be the promotion of commerce and trade, the acquisition of territory or power, or the maintenance of peace and security."<sup>1</sup> Thus spoke President Truman in his inaugural address of January 1949.

In the years following World War II the United States faced an inescapable responsibility for world affairs. Faced also with Soviet expansionist activists, the U.S. sought to restore world economic order and to check the spread of Soviet totalitarianism. The United States responded to the Soviet threat with a policy of containment. Containment entailed three elements.

The first element, U.S. defense policy, involved forward deployment of military forces to deter and contain Soviet military expansion. Our military security system rested on two strategic zones, Europe and East Asia, backed by our nuclear deterrent forces.

The second element, U.S. international economic policy, involved economic recovery programs for Western Europe and Japan, and a U.S. leadership role in the international monetary system. The idea was that this



second element would support the first, by building strong allies to help secure the developed world against Soviet desires to dominate the Eurasian land mass.

The third element, U.S. policy toward the Third World, included both economic and security assistance. The political components of this policy were centered around decolonization, self-determination and support for the evolution toward democracy.

The three postwar decades witnessed important successes for our National Strategy. World war was averted, Europe and Japan rose to new levels of prosperity and a large portion of the Third World was decolonized.<sup>2</sup>

The United States National Security Strategy, then as now, is planned and executed in pursuit of national interests and national objectives. Our key national interests, as articulated by President Reagan, include: the survival of the United States as a free and independent nation; a healthy and growing economy; the growth of freedom, democratic institutions and free market economies throughout the world; a stable and secure world, free of threats to U.S. interests; and, healthy U.S. alliance relationships.<sup>3</sup> Corresponding to each interest is a similar national security objective that is designed to support that interest.

In concert with our defense policy, U.S. foreign policy reflects the basic thrust of our National Security Strategy. The United States employs a diverse array of instruments or tools for pursuing international interests. Some of the separate interrelated tools on which the success of our international policy depends include: moral and political example; mili-

tary strength and economic vitality; economic assistance to developing countries; diplomatic mediation; and, security assistance.

My intention in this essay is to focus on the Security Assistance Program, the major arms suppliers and the returns that we get for our Security Assistance efforts. I use Saudi Arabia as an example of how we pursue U.S. interests in one region of the world and I conclude with several overall trends and conclusions on the role of Security Assistance in U.S. strategy.

I focus on Security Assistance because as I shall argue, helping friends and allies acquire the means to defend themselves is a productive, low cost and low risk investment in our own security. Security Assistance aids deterrence, promotes regional stability, helps to ensure access to vital overseas military facilities, lessens our own military requirements, and limits the potential of our own involvement in dangerous conflicts. Resolute use of this valuable tool of both foreign and defense policy is arguably the best use we can find, at the margin (given current budget constraints and allocations), for promoting U.S. security interests.<sup>4</sup>

THE SECURITY ASSISTANCE PROGRAM AND THE MAJOR  
ARMS SUPPLIERS

Security Assistance (or, in a narrower sense, the transfer of arms and supplies of warfare) has been part of international relations as long as man has prepared for and engaged in war. Whenever it was assumed to be in the best interests of one nation to give or sell arms or other military support to another, arms transfers of some type have taken place. Arms were and are a natural consequence of the desire for achieving and maintaining national security.<sup>5</sup>

Security Assistance is provided through five major programs: Foreign Military Sales (FMS), the Military Assistance Program (MAP), the International Military Education and Training Program (IMET), Peacekeeping Operations (PKO), and the Economic Support Fund (ESF).

World War II witnessed the first transfer of U.S. equipment on a large scale. The Lend-Lease Act (approved 11 March 1941) empowered the President to manufacture "or otherwise procure" defense articles for any foreign government the defense of which the President considered vital to the defense of the United States.<sup>6</sup>

In the aftermath of World War II, the communist threat to Greece and Turkey prompted President Truman to issue his March 1947 address to the Congress, which provided the basis for what became known as the "Truman Doctrine". President Truman stated, in part: "I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures."<sup>7</sup>

This document is hailed as the initial U.S. commitment to the principle of collective security.

In 1948, because Europe's economy was destroyed by World War II, the Congress enacted the European Recovery Plan, known as the Marshall Plan. Under the Marshall Plan, 16 nations of Western Europe received 15 billion dollars in loans and grants between 1948 and 1950.

The Eisenhower Doctrine was initiated when the President requested and the Congress approved, by Joint Resolution on March 9, 1957 the right to employ force, if necessary, to assist any nation or group of nations requesting assistance against armed aggression. The doctrine resulted from the increase in Soviet influence in Syria and Egypt and the threat of Soviet "assistance during the Suez Crisis in 1956". As formulated, U.S. assistance was to be based upon a request from the country endangered and the doctrine was not to be invoked in the civil war situation, as distinct from external, communist armed aggression.

President Kennedy fell heir to the policy of "massive retaliation" as the set piece of our strategic deterrence against Soviet expansion. However, Eastern Europe and the 1961 crisis in Berlin demanded a reassessment of U.S. conventional military capabilities. In Central Europe and elsewhere, the U.S. seemed unacceptably inferior in conventional military power.

In his assessment of the options available to him, Kennedy saw an immediate need to rebuild our conventional forces. He also initiated new military aid and diplomatic approaches, such as economic assistance to

Latin America under the "Alliance for Progress". The Alliance program was designed to speed the economic growth in the region in order to create a stable social structure capable of fending off revolutionary threats from within or without.

Luring both the Kennedy and Johnson administrations, conflicts in Southeast Asia and the Middle East set the stage for U.S. National Security Strategy and policy. America had its fill of the seemingly interminable war in Southeast Asia. This war caused an enormous cost in lives, national treasury, domestic turmoil and general discontent. At the same time, the Arab-Israeli wars, difficulties between Iran and Iraq, and a growing realization of the dependency of the U.S. and Western Europe on Middle East oil increased pressures on the United States to maintain regional stability in the potentially explosive region of Southwest Asia.

The experiences of Southeast Asia and Middle East entanglement led to changed directives and initiatives of our foreign policy and hence had a major impact on our approach to Security Assistance. One of the primary aspects of the changed policy was the transfer of immediate self defense responsibilities to indigenous forces while the U.S. would provide material and economic support assistance.

The central thesis of this doctrine, originally called the Guam Doctrine, and later expanded and known as the Nixon Doctrine, is that, although the U.S. will participate in the development of security for friends and allies, the major effort must be made by the governments and peoples of these states. As policy, its promulgation was directly related

to the efforts of the Nixon Administration to extricate American forces from Indochina. The Ford Administration continued this policy.

A major portion of Nixon's legacy to Gerald Ford included spiralling arms transfers that continued to bother Congress. Complicating Ford's relationship with Congress was the continued high demand for American armaments despite Congressional pressure to restrain arms sales. The President was now faced with the dilemma of meeting the requests for arms as part of our foreign policy while still remaining within the bounds of existing or pending legislation.

In 1976 the Arms Export Control Act was passed by Congress. Ultimately both Presidents Ford and Carter expressed views that this legislation was extremely restrictive and impinged on the Executive Branch's prerogative to implement foreign policy.

Early in his term of office, President Carter issued a statement decrying the unrestrained spread of conventional weapons into every region of the world. He directed a review of existing arms control policy and all of the associated military, political and economic factors. In order to reverse the thrust of the conventional arms sales, President Carter announced that arms transfers would henceforth be viewed as an "exceptional foreign policy instrument". Carter further established a set of controls to apply to all arms transfers except NATO countries, Japan, Australia and New Zealand. In addition, respect for human rights within recipient countries would be a consideration in future security assistance programs. Clearly, a statistical review of arms sales under the Carter Administration

indicates there was actually an overall increase in sales rather than reduction, which did not conform to his original rhetoric. Carter's arms transfer policy was constantly buffeted by both sides. Liberal critics saw it as a sham, a policy of exceptions, and a failure in the goal of cutting back on arms sales. More conservative observers, and those in the defense industry, viewed the policy as naive, unworkable and hypocritical.<sup>8</sup>

The Reagan Administration's approach toward arms sales is one of the major differences between its foreign policy and that of the Carter Administration. More than ever before, arms sales are to be actively used as a key instrument of American foreign policy. The Under Secretary of State for Security Assistance, Science and Technology, former Senator James Buckley, told the Aerospace Industries Association in 1982 that Carter had adopted policies on arms sales that "substituted theology for a healthy sense of self-preservation." In contrast, the Reagan Administration would view the transfer of conventional arms as an essential element of the U.S. global defense posture and an indispensable component of foreign policy. The emphasis was less on restraints of arms sales and on the dangers posed by conflict in the Third World and more on using arms sales to respond to the Soviet global challenge. The Reagan policy announced that the United States could not defend the free world's interests alone but must be prepared to strengthen the military capabilities of friends and allies by the transfer of conventional arms and other forms of Security Assistance. The Reagan Administration would evaluate arms sales requests primarily in terms of their "net contribution to enhanced deterrence and defense".<sup>9</sup>

While the Executive branch is tasked with making foreign policy, Congress has reflected public sentiment and has become increasingly involved in arms transfers. Vital to the assistance program are the credits which are offered to foreign nations to help them finance their purchases. Without credits, many nations could not afford to acquire U.S. arms. These funds are appropriated annually; therefore, the Congressional oversight.

### Soviet Union

The main thrust of the Soviet military assistance is toward the Third World. Where the U.S. can export its economic and political model, similar Soviet exports hold little attraction. Soviet military assistance has been generous, on lenient terms and characterized by more rapid deliveries than those from the U.S. Political, vice economic motives are the driving force behind Soviet assistance.

Prior to the mid-1950's, the Soviets concentrated on Warsaw Pact nations and China. Under Khrushchev's leadership, however, the shift toward the developing world became evident. Deliveries jumped from \$1 billion per year prior to 1970 to between \$2 and \$3.8 billion the 1970's.<sup>10</sup> The deliveries tended to be centered in the Middle East, with Libya, Iraq and Syria receiving over 50%. Arms to Sub-Sahara Africa also took a quantum jump in the 1970's, from \$90 million in 1974 to \$12 billion in 1978. Other recipients included Angola, Ethiopia, Guinea, Mali, Mozambique, Nigeria, Somalia and Uganda. North Vietnam was the Soviet Union's largest recipient during the Indochina War. India signed a \$1.6 billion arms deal in 1980; Peru became another Latin American country besides Cuba to accept Soviet arms.<sup>11</sup> Also noteworthy are the number of Soviet advisers



associated with arms transfers. This is because arms are routinely used as a means to gain access into the receiving country's infrastructure. Some examples are the advisers in Libya (1,750), Syria (2,580), Angola (1,300) and Peru (150).<sup>12</sup>

Economic considerations play an important role in Soviet arms transfers with payments preferred in hard currency. However, if the political situation merits it, favorable terms are offered to the recipient nation. Repayment is up to twelve years at an interest rate of 2 1/2% and local currency is acceptable. Sometimes, a barter arrangement is approved, as happened with Ethiopian coffee, or it may be forgiven, as is the case with Peru.

In summation, although the revenue derived from foreign sales is important to the Soviet Union, political motives often override economic considerations. The Soviets offer easy terms, rapid delivery, and the services of large numbers of advisers. There are no Congressional hurdles to overcome and the price often depends on the customer's importance. These benefits make Soviet arms very attractive.

#### France

After the two Superpowers, France is a distant third in arms exports. The French have a reputation of being aggressive in their arms sales policy. Their political and economic motives stem from their desire for total independence from the East and the West.

The volume of sales has increased at a pace as rapid as that of any of the arms producers. Arms sales rose from 6.5 million Francs in 1970 to

25.5 million Francs in 1979. By the end of the decade, arms sales accounted for almost 5% of total exports. The significance of exports to the arms industry is evident when approximately one third of all arms produced are marked for export. In some industries, this figure is 50% while in the aeronautical industry it jumps to 75%.<sup>13</sup>

When the French dependence on oil from the Middle East is considered, it becomes apparent that there exists a certain amount of "oil for arms" philosophy, although never acknowledged. One of their largest deals involved Saudi Arabia and consisted of a modernization program for the Saudi Navy worth 3.5 billion Francs. Similar motives have been instrumental in France's sale of Mirage F-1s to Libya and Iraq.

For all practical purposes, the state is the producer of arms. This is accomplished by a combination of state owned and private corporations which are directly involved in the arms trade. A special government agency, the Delegation Generale pour l'Armement (DGA), is responsible for supervising the production of arms and maximizing the exports of arms. The DGA owns and runs twenty five arsenals which employ 60,000 people (twelve for naval construction, eleven for ground forces, two for aviation). Some 70,000 employees work for nationalized companies engaged in arms production, while 150,000 work in the private sector. The involvement of the government is extensive, to the point of influencing the selection of managerial personnel.<sup>14</sup>

The government is directly involved in determining releasability of weapons through the Commission Interministerielle pour l'Etude des Export-

tations de Materies de Guerre. These twenty or so ministers representing Foreign Affairs, Defense, Finance and the Economy decide on a sale on a case-by-case basis.

#### United Kingdom

The UK is very similar to France in its approach to arms trade except for the political significance found in France. Although similar governmental controls exist, it is not viewed as paramount an instrument of foreign policy as in France. There appears to be greater concern to the ramifications of the arms trade with little irresponsible selling.

The level of arms trade dramatically increased during the 1970's, from 235 million Pounds in 1970 to a 1979 level of 901 million Pounds. Exports now account for 30% of total arms production.<sup>15</sup>

As the British Empire began to recede, so did the requirements for massive arms production. No longer was there the need to arm forces stationed worldwide or supply arms to colonies. However, balance of payment problems were beginning to be felt. Also, the soaring costs of weapons made it prudent to search for ways in which to reduce unit costs and recover some of the costs of developing arms. Arms exports became more of an economic necessity than a means of implementing foreign policy.

The Defence Sales Organization (DSO) was created in 1966 with the purpose to expand the foreign arms market. It has drawn heavily from techniques employed in civilian industry and its key people are all successful businessmen. It became DSO's job to ensure that British arms

manufacturers received their share of the world's arms market. As in France, the government sponsors "arms fairs" where the latest weapons are displayed to potential buyers much in the same manner as any other fair.

#### Others

The term "others" can apply to almost every developed nation of the world. Certainly the industrial nations of Europe and Asia are arms producers. However, they remain for a number of reasons minor contributors to the totals.

West Germany is number five, but due to self imposed restrictions accounts for no more than 1% of all arms transferred, most of which has gone to the Third World.

The list continues. Italians have sold ships in Latin America, Israelis airplanes in Latin American and sub-machine guns worldwide. It can be said that most countries have become arms exporters at one time or another. It is rapidly becoming a situation where exports are becoming the driving force behind the production of arms.

#### WHAT WE GET FOR OUR SECURITY ASSISTANCE EFFORTS

Recognizing that the United States is protected by two great "moats", the Atlantic and Pacific Oceans, and our past penchant for isolationism, Dr. Michael W.B. Ryan, Chief of the Program Analysis Division, Defense Security Assistance Agency, describes what he calls "the death of internationalism". His concern is that there appears to be a new trend toward national introversion. This trend basically ignores or rejects involvement

in international affairs. Dr. Ryan's concern is that the Security Assistance program will be one of the big losers in the battle of the budget, and that DOD and State must recognize the effects this can have on U.S. strategic objectives.

In discussing the priority of Security Assistance, Dr. Ryan quotes President Reagan's remarks on "Peace and National Security" when he cited the four principles upon which our national defense program must rest. The second of the President's four principles states that "our Security Assistance provides as much security for the dollar as our own defense budget. Our friends can perform many tasks more cheaply than we can. That's why I can't understand proposals in Congress to sharply slash this vital tool. Military assistance to friends in strategic regions strengthens those who share our values and interests. And when they are strong, we are strengthened. It is in our interests to help them meet threats that could ultimately bring harm to us all."<sup>16</sup>

Since Security Assistance is often viewed as a "giveaway" program, it is important to outline the economic benefits gained from this program. To begin with, almost all budgeted funds are spent in the United States and the program creates or sustains at least 375,000 American jobs. The foreign military sales program, including those sales funded by foreign cash and those financed by funds appropriated by the U.S. Congress actually reduces the deficit by more than \$2 billion per year at current delivery levels when the tax benefits and offsetting receipts are taken into account.<sup>17</sup>

Militarily, what do we get for the money? Simply stated our interests are served better if we are not forced to act alone, especially at the low

end of the conflict spectrum, and if our friends and allies possess the capability to defend themselves and their own interests - which often coincide with, or at least complement, our own.

Militarily, Security Assistance has helped Israel secure its national survival. It has helped Egypt secure its borders with Libya, while remaining strong and confident enough to maintain peace with Israel. In Chad, U.S. efforts have complemented French efforts to help Chadian forces resist the invading Libyan's and their surrogates.

In Europe, the southern NATO countries have been greatly strengthened by our assistance in the defense of the Western Alliance and in turn have continued to grant base rights to U.S. forces.

In the Far East, our assistance programs have significantly helped South Korea to build a deterrent to North Korean invasion. Likewise, Thailand is better able to deter Vietnam at its borders because of our assistance.

In Southwest Asia, Pakistan has been bolstered in its stand on the removal of Soviet forces from Afghanistan and to confront Soviet and Afghan attacks along its borders.

In Africa, Somalia has been able to deter threats from Ethiopia and Sudan has likewise been able to thwart past Libyan hostilities.

In Central America, U.S. programs have helped protect struggling moderate democracies assailed from the left and right. Honduras has been able to confront Nicaraguan aggression along its borders as has El Salvador.

Also, the Andean countries have demonstrated a new vigor to deal with narcotic traffic and narco-terrorism.<sup>18</sup> The point is that Security Assistance works quietly to bolster deterrence and provides the training, equipment and confidence that produce tangible results.

Politically, Security Assistance provides leverage-though this is difficult to gauge and demonstrate. For example, many knowledgeable people would argue that the crisis of government in the Philippines could not have been resolved without U.S. pressure to confront the insurgency there and to restore military capabilities to do so. Remember too, that those officers who refused to cooperate with what they considered an illegal government and thus assured democracy for their people were trained in the U.S. through Security Assistance.<sup>19</sup> The main thrust of identifying political leverage will follow in the discussions centering on Saudi Arabia and U.S. strategy in the Middle East.

#### SAUDI ARABIA - PURSUING U.S. INTERESTS IN THE PERSIAN GULF

"The security of the Middle East and Southwest Asia is vital to the economic health of the Free World and, consequently, to the security of the United States. Regional stability, Free World access to oil resources, and the limitation of Soviet influence remain important U.S. objectives."<sup>20</sup> To accomplish its objectives in the region, the U.S. is involved in diplomatic initiatives, selected Security Assistance, and multinational peace-keeping efforts to provide a strong deterrent stand.<sup>21</sup>

If we are serious about pursuing U.S. interests or objectives in the Middle East, then we must promote and preserve political stability and

economic development in a policy arena that recognizes how volatile and fragile the region can be. For example, domestic political instability in the region will probably continue to grow. Ethnic, sectarian and cultural divisions in countries such as Syria, Iraq and Iran will probably intensify. The Persian Gulf sheikdoms could experience varying degrees of instability as the indigenous Bedouin leaders are replaced by technocratic elites. Political radicalism can develop further as nationalist loyalties and rivalries continue to emerge. Pan-Arab activists and Islamic fundamentalists will continue to exploit and exacerbate historical differences between the Nile and Mesopotamian states, between branches of the Islamic faith and between political ideologies.<sup>22</sup>

Recognizing the potential divisiveness of the above conditions, we must continue to promote the peace process in the Middle East by an active diplomacy and steady support for our friends on both sides who are being asked to take risks for peace. And we can provide the support through a realistic Security Assistance program that strikes a balance between supporting Israel and moderate Arab states, such as Saudi Arabia. A balanced Security Assistance program can significantly promote regional stability which, in turn, can help safeguard Western access to oil.

The U.S. imports only three to five percent of its oil from the Gulf, but because 20% of all the world's oil - most of it destined to U.S. allies - goes through the Gulf, the importance of stability in this region assumes a proper perspective. For example, Middle East oil provides:

30% of West European needs

59% of Japan's needs



World's proven oil reserves:

<u>Country</u>	<u>Billions of Barrels</u>
1. Saudi Arabia	171.5
2. Kuwait	92.4
3. Soviet Union	61.0
4. Mexico	49.3
5. Iran	47.8
6. Iraq	44.1
7. Abu Dhabi	31.0
8. United States	28.0
9. Venezuela	25.6
10. Libya	21.3

Source: Business and Society Review (Summer 1986)<sup>23</sup>

Furthermore, if it is a U.S. objective to deter the expansion of Soviet influence in the Middle East, then certain other realities must be recognized.

The Soviets share borders with Turkey, Iran, and Afghanistan, and claim regional spheres of interest in Syria, Iran, Libya and the Arab Peninsula. The Soviet Union's proximity to the Middle East has resulted in a close intertwining of its history with that of the Middle East. Twenty percent of the population of the Soviet Union is Moslem, and the Soviet Union worries about the spillover of Islamic fundamentalism into the Islamic, southern portions of its territories.

Soviet military power is not an idle threat in this part of the world. The continued presence of over 100,000 Soviet troops in Afghanistan clearly shows the USSR's capability to deploy forces on its southern flank without jeopardizing its military position elsewhere. Soviet forces there, especially their combat aircraft, are 300 miles closer to the Strait of Hormuz and possess the combat range to cover the key oil refinery and distribution systems of the Persian Gulf. Furthermore, Russia has invaded Persia several times before, as recently as World War II. As its own oil reserves draw down in the next decade, the Soviet Union's readiness to deploy and employ military force cannot be taken lightly. With nearly thirty divisions in the Turkestan and Transcaucasus military regions in the southern part of the USSR; with a daily average of 25-30 combatant and support naval vessels on station in the Indian Ocean; with bases and airfields in Aden, Socotra Island, and the Ethiopian port of Dahlak Island, the Soviets have in place a basing structure and system of overflight rights which successfully envelops the region.<sup>24</sup>

Again, U.S. programs are designed to promote peace and stability in the region. Through a balanced Security Assistance program we assist friendly nations, such as Saudi Arabia, in building up their capabilities to protect themselves and deter intraregional and interregional conflict.

"Arms sales have become, in recent years, a crucial dimension of international affairs. They are now major strands in the warp and woof of world politics. Arms sales are far more than an economic occurrence, a military relationship, or an arms control challenge -- arms sales are foreign policy writ large."<sup>25</sup>

The first major test of the Reagan Administration was the sale of Airborne Warning and Control System (AWACS) aircraft, aerial tankers, fuel tanks, and Sidewinder missiles to Saudi Arabia in 1981.

As I stated earlier, the Reagan Administration views the transfer of conventional arms and other defense articles and services as an essential element of its global defense posture and an indispensable component of its foreign policy. It further states that the U.S. retains a genuine interest in arms transfer restraint, but in view of the very limited interest in restraint on the part of the other arms producing nations, the U.S. will be guided by both principle and practical necessity.

In 1978, the Congress had been assured by President Carter that the range and firepower of the F-15's sold to Saudi Arabia would not be increased in the future. However, President Reagan concluded that an enhanced arms deal was now necessary because of the Soviet threat to the oil fields in the Persian Gulf. The Saudis were also exerting strong pressure to complete the sale. Critics of the sale portrayed it as an additional threat to the security of Israel. Proponents of the sale noted that American technicians, advisors, and stockpiles of equipment would be in Saudi Arabia for use in case of an emergency. Proponents also stressed that the Saudis would remain dependent on the U.S. for spare parts and maintenance. In short, a special relationship, albeit fragile, does exist between the U.S. and Saudi Arabia that transcends the military dimension.<sup>26</sup>

The U.S. has had a special role in safeguarding the security of Saudi Arabia for over a quarter of a century. The relationship began in 1938

with the Arabian American Oil Company developing the country's oil production. In 1953 a U.S. military training mission was established. Since 1954 the U.S. Army Corps of Engineers has been deeply involved in supervising construction activities in Saudi Arabia with the purpose of creating a military infrastructure for the nation, including airfields, naval port facilities, radar and communications centers, supply depots, logistical support bases, and training programs for personnel to maintain the military facilities. At the same time, the U.S. has been the largest supplier of weapons. Purchases from the U.S. through 1980 came to \$34.9 billion, 97 percent of which were made since 1973.<sup>27</sup>

While I recognize that it is certainly more important for the Saudis to build a credible defense vis-a-vis Soviet activities in Afghanistan, revolution and chaos in Iran, radical Arab neighbors such as Iraq and the People's Democratic Republic of Yemen, I think there is another key dimension of their arms build-up that I would like to stress. The two most important and controversial American sales to Saudi Arabia, the Carter F-15 sale in 1978, and the Feagan AWACS/tanker sale in 1981, acquired tremendous symbolic significance. To the Saudis, a special relationship obviously existed since the Executive Branch was willing to sponsor and the Congress tacitly approved both major sales.

From a US perspective it is equally important to maintain the special relationship that exists between Saudi Arabia and the United States. Even though we are not critically dependent on Middle East oil, the fact remains that Saudi Arabia is probably the most significant country in determining world oil production and oil prices. Also, the Saudis have traditionally

invested billions of dollars in US industry and US Treasury bonds. Finally, and perhaps most significantly, Saudi Arabia is a voice of moderation in the highly volatile politics of the Middle East.

Having said all of this, one can only wonder what is the current state of play between both nations considering the recent US refusal to sell \$2.8 billion of additional F-15 fighters and the follow-on Congressional blockage of the Reagan Administration's plan to sell \$354 million worth of missiles to Saudi Arabia?<sup>28</sup> Considering the Saudi propensity to view each major sale as a test of the "special relationship", this situation will have serious political, military and economic consequences. While it is true that no single arms sale is likely to sever US-Saudi military relations, the crucial point is that Security Assistance is an international issue that is part and parcel of nearly all the instruments of national power. Security Assistance is a diplomatic, military and economic medium of international relations.

On the political side, the Saudis and the Executive Branch of the US government are both deeply embarrassed, and we are once again seen as an unreliable ally. Militarily, we have forced Saudi Arabia to turn to Europe for equipment and advice for its Army, Navy and Air Force. The main financial losses are worth an immediate \$2.8 billion in new F-15 sales with the probable loss of \$3-6 billion more in follow-on support sales, plus some \$7-14 billion for replacing Saudi Arabias F-5E-11s. In addition, the US will inevitably lose more civil sales in what has recently been a \$4-5 billion annual market for US commercial exports.<sup>29</sup>

On July 15, 1986, the Honorable Richard W. Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, testified before the Middle East Sub-Committee of the House Foreign Affairs Committee. Mr. Murphy's comments follow: "A fundamental belief underlies our forty years of close security cooperation with Saudi Arabia. The belief is simple and profound. The United States has vital security interests in the Persian Gulf: to protect the free flow of oil on which the industrial world depends; to prevent Soviet inroads in the region; to restrain the spread of Khomeini-inspired radicalism; and to support the security of our Arab friends on the Arabian peninsula. Our relations with Saudi Arabia are an absolutely critical element of any policy to protect and advance these interests. We protect our interests in the Gulf by helping Saudi Arabia and its GCC allies defend themselves. By doing so we reduce the chances that one day American troops might have to intervene directly."<sup>30</sup>

In every case where we have provided the Saudis with equipment and training, they have met all of our stringent preconditions and follow-on limitations. They have not used this equipment offensively against any nation or people in the Middle East.

In terms of deterrence and national defense, the success of our assistance program with Saudi Arabia has been and continues to be noteworthy. For example, the Honorable Richard Armitage, Assistant Secretary of Defense for International Security Affairs has stated: "The contribution of AWACS as a deterrent to conflict has been amply demonstrated by our experience with the US AWACS deployment to the Kingdom. While the tanker war in the Gulf continues unabated, Iran has refrained from vio-

lating Saudi air space ever since Royal Saudi Air Force F-15s, alerted and guided by information from our AWACS, successfully downed hostile Iranian F-4s in June 1984. The combination of Saudi resolve to protect the vital assets of the kingdom and sufficient early warning of hostile aircraft will continue after delivery of their own AWACS. The ability of our friends to defend themselves, especially when vital US objectives are at stake, is very much in our own national interest.<sup>31</sup>

Finally, in a letter to the US Congress, President Reagan made the following observations about US-Saudi relations: "I remain convinced that, as I stated in 1981, the sale of aircraft to Saudi Arabia will contribute directly to the stability and security of the area and enhance the atmosphere and prospects for progress toward peace. I also believe that significant progress toward resolution of disputes in the region has been accomplished with the substantial assistance of Saudi Arabia. These perceptions are strengthened by a review of events of the last five years. The Saudi commitment to a strong defense as evidenced by such measures as the AWACS acquisition, past defensive military action, and efforts to organize collective security among the member states of the Gulf Cooperation Council, taken together with the Kingdom's obvious lack of aggressive intent, have contributed and will continue to contribute to the stability and security of the area. Our continued success in helping to support regional stability will diminish prospects that US forces might be called upon to protect the governments, shipping lanes, or vital petroleum resources of the region."<sup>32</sup>

The President went on to further outline Saudi contributions to regional stability. Following are excerpts from the Presidential letter to House Speaker Thomas P. C'Neill on June 18, 1986:

- "Saudi Arabia has firmly supported every significant diplomatic effort to end the Iran-Iraq war."

- "Saudi efforts to advance the Arab-Israeli peace process have been substantial."

- "During the subsequent and continuing debate over how to make peace with Israel, the Saudis have consistently lent support to moderate Arab governments."

- "Saudi Arabia played a major and highly visible role in attempts to arrange a lasting cease-fire in Lebanon."

- "Saudi Arabia has provided crucial support for Sudan during that country's transition to a democratic form of government."

- "Saudi Arabia has established a significant record in working for regional stability and settlement of regional disputes in countries beyond its immediate neighborhood. Saudi aid has been crucial to the Afghan cause and significant to Pakistan, Morocco and Tunisia."<sup>33</sup>

Again, Security Assistance does play a very prominent role in US strategy and in ensuring US interests are secured. If we carefully pick our allies and friends in the various regions of the world and support them through such vehicles as Security Assistance, then I think we can reasonably expect a political, economic and military quid pro quo relationship. Along with Israel and Egypt, Saudi Arabia has certainly been an important medium in pursuing US interests in the Persian Gulf. However, a



caveat is in order. We can not let the Saudi's down as we did in the missile and F-15 sale of 1985-86. Also, the lessons of the Middle East tell us that we must seek out and support other moderate Arab nations such as Jordan, Morocco, Tunisia and Oman if we hope to secure US interests in that part of the world.

#### TRENDS IN SECURITY ASSISTANCE AND ARMS TRANSFERS

A number of trends combine to imply that Security Assistance and arms transfers have a significant impact on international security. Historically, arms sales have played a prominent role in the foreign and defense policies of the major nations of the world. Nearly all international crisis involving the US and the USSR since World War II have included arms transfers to those nations at the center of the conflict. From rearming Europe after World War II, through conflicts in Asia, the Middle East, Africa, and Latin America, the major arms suppliers have provided the military technology and weaponry necessary to engage in armed conflict. The most significant trends to note are the increase in the quantity of weapons being supplied and the qualitative upgrading of arms sales.

Arms transfers worldwide have more than doubled in the past decade alone, from nearly \$10 billion in 1969 to over \$20 billion in 1980. It is deceiving to make a blanket statement that either the US or the USSR is the leading arms supplier in the world. There is a tendency to make hasty conclusions and point a finger at either Superpower and accuse them of arming the world. Who is number one in arms sales is likely to vary from year to year and likely to depend on a wide range of circumstances.

A second trend is the qualitative upgrading of arms sales. Most arms supplied prior to the 1970s were surplus and obsolete weapons of the major powers. Even in the early 1960s the aircraft transferred to the developing world were old weapon systems such as the American F-86 and Soviet MIG-17 fighters rather than F-4s and MIG-21s. Today, the world market demands the latest and most sophisticated weapons available. If one supplier is unwilling to provide the latest military technology, there is always an alternative source. Some of today's sophisticated weapons include F-15s, F-16s, AWACS aircraft, AIM 9-L missiles, TPS-43 radars, MIG-25s, Mirage 2000s and numerous surface to air missiles. Another aspect of the proliferation of sophisticated weapons is through international coproduction agreements. An example is the agreement between the US and Japan to coproduce F-15 aircraft.

A final trend is the change in geographical direction of the arms flow. Until the mid-1960s most weapons went to the developed world, either to NATO or Warsaw Pact allies. During the later years of the 1960s, weapons were flowing to the developing world, especially Southeast Asia. During the 1970s and early 1980s the Persian Gulf and Middle East nations received the largest portion of conventional weapons. Today, the flow of weapons to Latin America is intensifying, especially to El Salvador, Honduras and Nicaragua.

### Concluding Remarks

In this essay I have attempted to outline the role of Security Assistance in US National Security Strategy. In illustrating how national interests and national objectives form the basis of national strategy, I intended to convey a vision of the important relationship between foreign and defense policies in forming an integrated strategic approach to securing US interests in international relations. I used the medium of Security Assistance because this is a good example of linkage between foreign and defense policies in identifying and futhering US interests.

In my research associated with this paper, coupled with nearly five years of experience working political-military issues at the LDC and State Department policy level, one recurring theme stands out foremost in my mind concerning Security Assistance. Arms transfers and Security Assistance as an integrated strategic program (defense and foreign policy in concert) strengthens US and friendly military capabilities and defends our interests around the world. Arms transfers and Security Assistance lend credibility to US foreign policy efforts to revitalize our alliance and other strategic relationships. Arms transfers are a logical extension of our defense efforts. They provide the means for our friends and allies to defend not only their interests but our common interests as well. Especially since the Nixon Administration, we have come to expect nations to assume primary responsibility for their own defense. Hence it is essential in strategic areas that we maximize indigenous capabilities to deter aggression. As President Reagan has said time and again, when our friends are strong, we are strengthened - especially when they can perform tasks more cheaply than we can.

While I have made a strong plea for the value of Security Assistance as a tool of national defense, it would be misleading to view this instrument in purely military terms. Rather, Security Assistance should also be viewed as an economic and political instrument of policy throughout the world. Because arms sales create a "dependency" of the client state on the supplying nation, they can affect the political and economic actions of recipient nations. The seller can exercise a modest degree of leverage because the buyer, having sunk enormous investments in modern arms and associated high technology becomes largely dependent for follow-on support of those weapons. The logical, and in most instances, the only source of support (i.e., spares, training, modifications, etc.) is the original supplier. Thus there is a strong potential to exercise political and economic leverage through the Security Assistance program.

Finally, there are several situations that could adversely impact on the Security Assistance program. A number of prominent political scientists including Secretary of State Shultz, scholars at Georgetown University's Center for Strategic and International Studies, and others, have warned of an alarming swing in America back to "isolationism" and away from constructive involvement in international affairs. This political philosophy of isolationism has not served this nation well in the past and only encourages those who would greatly curtail our Security Assistance efforts.

Secretary Shultz has expressed grave misgivings over what he sees as a congressional attack on the foreign affairs budget. Secretary Shultz has noted that congressional reductions and earmarking of aid levels to a few

countries deprive state and LCD of over half of all our security and economic assistance to many countries in the world.

One last concern poses a long term threat to the President's ability to conduct foreign policy in the Security Assistance arena. This threat is the proposed Biden-Levine bill to change the Arms Export Control Act legislation by requiring a majority vote of both houses of Congress to approve "sensitive" arms sales vice the current procedures whereby both houses must have a majority vote to disapprove a specific sale. This may seem like a minor change but, on the contrary, this change would profoundly restrict the Security Assistance program and make a political partisan issue out of most arms sales. In addition to potentially restricting the President's foreign affairs powers, the sponsors of this bill make no secret of the intent of the legislation - to block approval of sales to the moderate Arab states.

In the final analysis, our Security Assistance program has greatly enhanced our national security objectives and interests. Security Assistance has been an important instrument supporting our National Security Strategy. Security Assistance has also been, on balance, a very successful cooperative policy making effort, in the national interest, between DOD and the State Department. The remaining challenge is for the Executive and the Congress to work together to build a wise foreign policy that protects US interests while they work out differences of opinion concerning Security Assistance policy and management issues.

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